

## REMARKS

Applicant respectfully requests reconsideration of this application as amended. Claims 1-7, 9-13 and 15-22 remain in the application. Claims 1 and 15 have been amended. No claims have been canceled.

### Rejections Under 35 U.S.C. § 103(a)

Claims 1-7, 9-13 and 15-22 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 4,789,928 of Fujisaki (“Fujisaki”) in view of U.S. Patent No. 5,835,896 of Fisher (“Fisher”).

Fujisaki discloses an auction information transmission processing system constructed by connecting a most significant front computer to a host computer, arranging at least one stage of a plurality of intermediate front computers and a plurality of least significant front computers so as to be connectable to the most significant front computer in a tree-like configuration via communication lines, and arranging a plurality of dealer terminals so as to be connectable to each of the least significant front computers via communication lines. Each of the dealer terminals has basic pattern data storage means storing pattern data indicative of basic display screen pictures and exhibit data storage means storing data peculiar to articles on exhibit at an auction. When the system is started up, the host computer transmits a line connection signal to the front computers. After bidding starts, each of the front computers, in response to a command from the host computer, selects a predetermined number solely of bid-up signals from each of the dealer terminals and transmits these signals to a front computer. The most significant front computer selects only a predetermined number of bid-up signals and bids up the price of an exhibit being auctioned. After a pledge to buy an exhibit is made, the least significant front

computers identify pledging members based on the member registration data, and data indicative of these members are transmitted to the front computers of higher significance. (See Fujisaki's Abstract).

Fisher discloses a system and method for conducting a multi-person, interactive auction, in a variety of formats, without using a human auctioneer to conduct the auction. The system is preferably implemented in software. The system allows a group of bidders to interactively place bids over a computer or communications network. Those bids are recorded by the system and the bidders are updated with the current auction status information. When appropriate, the system closes the auction from further bidding and notifies the winning bidders and losers as to the auction outcome. (See Fisher's Abstract).

The above-referenced Office Action equates the abstract of Fujisaki with the claimed element of "a plurality of auction modules to be configured by a user to deploy the universal auction system". Applicants respectfully disagree with this assertion. The programmable auction server of claims 1 and 15 allow a user to configure a universal auction system to perform specific auction functions. Such a system allows a user (e.g., a market designer) to build a customized auction system without engaging in lengthy software development. For example, the programmable auction server of claims 1 and 15 allow "a bid verifier to determine the eligibility of one of a plurality of traders to the universal auction system based on previous auction history." The combination of Fujisaka and Fisher do not disclose nor suggest a programmable auction system having a plurality of auction modules as recited in claims 1 and 15. Applicants respectfully submit that the combination does not disclose a programmable auction server with auction modules nor that a user may configure the auction modules to deploy the universal auction system, as recited in claims 1 and 15. Specifically, the programmable auction server of

claims 1 and 15 allow “a bid transformer to automatically transform a submitted bid for an item during an auction of one of the plurality of traders.”

The combination does not disclose nor suggest having an auction module corresponding to a bid transformer to automatically transform a submitted bid for an item of one of the plurality of traders during an auction, wherein the transformed bid is to be compared to bids received from the plurality of traders other than the one of the plurality of traders to determine whether the transformed bid is successful, wherein the submitted bid indicates an amount due for the item when the transformed bid is successful.

The Office Action states Fujisaki lacks an explicit recitation of the bid transformation element. Fisher does not disclose that *a bid of a specific trader* is adjusted but that if a certain sales volume is or is not achieved in a specific period of time, the electronic auction will automatically reduce or increase the price by a set amount or if a certain percentage. (See Fisher, column 12, lines 31-47; Figure 14). This is not the same as transforming a submitted bid based on *a discrimination policy of a specific trader* not a certain overall sales volume or activity over a specific time. The discriminating policy allows a submitted bid to be transformed *based on the particular trader*. Furthermore, neither Fujisaki nor Fisher disclose nor suggest that the *submitted bid*, as claimed indicates an amount due for the item *when the transformed bid is successful*, as recited in claims 1 and 15.

Referring to claim 15, Applicants respectfully submit that Fujisaki does not teach *a method of “receiving at least one market protocol,”* nor *“generating a plurality of auction modules in a programmable auction server based on the market protocol received.”* Market protocols define at least one function of an auction that a user (e.g., a market designer) could configure. For example, a user may specify the minimum increment and start time in an English auction classification, or the user may configure the circumstances when a bid from a trader

qualifies as a bid under a set of rules based on a specific auction classification. Specific auction modules may be generated based on the configured market protocol to implement auction transactions in the universal auction system. For example, a user may have configured a market protocol that generates an auction module to transform a bid based on a predetermined set of discriminating allocation market protocols, such as, to transform the submitted bid of a specific trading identity (e.g., Trader A) by 10% when the bid is received during an auction.

Accordingly, Applicants respectfully request the rejection of claim 15 be withdrawn.

Referring to claim 22, neither Fujisaki nor Fisher disclose, suggest, nor provide any motivation that one or more trading primitives of a market protocol are configurable by a user at the market specification console “to dictate the behavior of the universal auction system.” Neither does the combination suggest the programmable auction server could “receive the market protocols defined by the market specification console” to implement the universal auction system. The system, as claimed, allows a user (e.g., market designer) to build a customized auction system without engaging in lengthy software development. Accordingly, Applicants respectfully request the rejection to claim 22 be withdrawn.

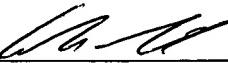
Claims 2-7, 9-13 and 16-21 are dependent directly or indirectly on one of the independent claims 1, 15, or 22. Therefore, at least for the reasons stated above, Applicants respectfully request the rejections to claims 1-7, 9-13 and 15-22 be withdrawn.

It is respectfully submitted that in view of the amendments and arguments set forth herein, the applicable rejections and objections have been overcome. If there are any additional charges, please charge Deposit Account No. 02-2666 for any fee deficiency that may be due.

Respectfully submitted,

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